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Commissioner

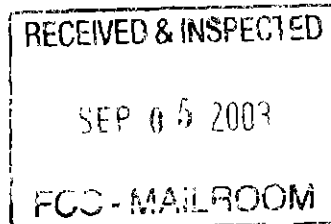
W. Lane Lanford
Executive Director



Public Utility Commission of Texas

Marlene H. Dortch - Secretary
Federal Communications Commission
445 Twelfth Street, S.W. - TWA 325
Washington, D.C. 20554

Irene Flannery - Vice-President of High Cost and Low Income Divisions
Universal Service Administrative Company
2120 L. Street, NW - Suite 600
Washington, D.C. 20037



RE: Federal-State Joint Board on Universal Service, CC Docket No. 96-45

TX PUC Project No. 25787 - FCC Letters regarding ETC Designation Pursuant to
FTA '96 §214(e) (2)


August 27, 2003

To Whom It May Concern:

Pursuant to Section 214(e) (2) of the Communications Act of 1934, as amended (the "Act") and 47 C.F.R. sections 54.201 – 54.203, the Texas Public Utility Commission (TPUC) has granted the eligible telecommunications carrier (ETC) designation to the competitive carrier named Vantage Systems. Vantage Systems' ETC designation will include all of the Texas exchanges in the Corpus Christi and Brownsville LATAs served by Southwestern Bell Telephone (SBC) and Verizon. Attached is the TPUC's *Order* in Docket No. 28028, issued on August 15, 2003, granting ETC designation to Vantage Systems.

If you require any additional information please call Janis Ervin at (512)-936-7372.

Sincerely,


Janis Ervin - Senior Policy Specialist
Telecommunications Division - Texas Public Utility Commission



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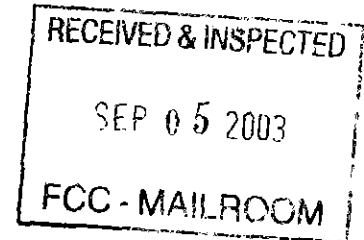
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DOCKET NO. 28028

**APPLICATION OF VANTAGE SYSTEMS §
FOR DESIGNATION AS AN ELIGIBLE §
TELECOMMUNICATIONS CARRIER §
(ETC) PURSUANT TO P.U.C. §
SUBSTANTIVE RULE 26.418 AND §
ELIGIBLE TELECOMMUNICATIONS §
PROVIDER (ETP) PURSUANT TO P.U.C. §
SUBSTANTIVE RULE 26.417 §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**



**ORDER NO. 4
NOTICE OF APPROVAL FOR DESIGNATION AS
AN ELIGIBLE TELECOMMUNICATIONS CARRIER (ETC) AND
ELIGIBLE TELECOMMUNICATIONS PROVIDER (ETP)**

Procedural History

On June 27, 2003, Vantage Systems (Vantage or the Company) filed a combined application for designation as an eligible telecommunications carrier (ETC) pursuant to 47 U.S.C. § 214(e) and P.U.C. SUBST. R. 26.418, as well as designation as an eligible telecommunications provider (ETP) pursuant to P.U.C. SUBST. R. 26.417. Pursuant to 47 U.S.C. § 214(e), the Commission, either upon its own motion or upon request, shall designate qualifying common carriers as ETCs for service areas set forth by the Commission. Vantage is requesting ETP/ETC designation in order to be eligible to receive federal and state universal service funding to assist it in providing universal services in Texas.

Vantage seeks ETC/ETP designation in all exchanges encompassed by the Corpus Christi LATA and Brownsville LATA in the service areas of Southwestern Bell Telephone Company (SWBT) and Verizon (Verizon). The Company holds Service Provider Certificate of Operating Authority No. 60549

The Commission issued Order No. 1 in this proceeding which established a procedural schedule, including deadlines for comment, motions to intervene, and published notice in the *Texas Register*. Notice was published in the *Texas Register* on July 11, 2003. The Applicant provided a copy of the application to the Office of Public Utility Counsel at the time of filing.

Pursuant to P.U.C. SUBST. R. 26.417(f)(2)(A)(i) and 26.418(g)(2)(A)(i), the effective date shall be no earlier than 30 days after the filing date of the application or 30 days after notice is completed, whichever is later. Therefore, the earliest effective date for this proceeding was August 10, 2003. On August 7, 2003, Order No. 3 was issued which extended the effective date to August 15, 2003, by agreement of the Parties to allow the Company to supplement its application.

No objection, comment, or motions to intervene were filed, and no hearing was requested. P.U.C. SUBST. R. 26.417(f)(2)(A) and 23.418(g)(2)(A) provide that applications for ETC/ETP designation may be reviewed administratively.

On August 7, 2003, Commission Staff (Staff) filed a recommendation for approval of ETC and ETP status for Vantage based on the following:

Designation as Eligible Telecommunications Carrier

To qualify for ETC status, a carrier must meet four conditions:¹

1. The carrier must be a common carrier, as that term is defined by the Federal Telecommunications Act of 1996 (FTA '96), Section 3(10).
2. The carrier must offer the following services (requisite services),² using its own facilities or a combination of its own facilities and the resale of another carrier's services:³
 - (a) voice grade access to the public switched network;
 - (b) local usage;
 - (c) dual tone multi frequency signaling or its functional equivalent;
 - (d) single party service or its functional equivalent;
 - (e) access to emergency services, includes such services as 911 or enhanced 911;
 - (f) access to operator services;
 - (g) access to interexchange service;

¹ 47 C F R § 54 201(b)-(d) (2001)

² 47 C F R § 54 101 (2001)

³ 47 C F R § 54 201 (2001)

- (h) access to directory assistance, and
 - (i) toll limitation for qualifying low income customers.⁴
- 3. The carrier must advertise the availability of and charges for the requisite services in a media of general distribution.⁵
- 4. The carrier must provide Lifeline and Link Up support, and may not collect a deposit from a customer receiving such support if the customer also elects toll blocking.⁶

Vantage meets all of the above criteria. Vantage will advertise the designated services and their rates through marketing advertisements using media of general distribution and through its website (www.Vantagecom.com). Vantage provides the required services through the use of purchased unbundled network elements (UNEs) and currently uses a combination of its own facilities and UNEs to provide access services. Vantage indicated in its application that it will “ultimately” use a combination of its own facilities and UNEs to provide the designated services. On August 6, 2003, Vantage filed an amendment to its application in which it clarified that a combination of facilities and resale services are currently being employed to provide the designated services. Therefore, Vantage meets the necessary criteria.

Vantage has made a commitment to offer Lifeline and Link Up support and has provided a tariff and self-certification form for applicants with its June 27, 2003 application. In its supplemental filing on August 6, 2003, Vantage revised its Lifeline tariff pursuant to discussions with Staff. The revised Lifeline materials provided are appropriate and fulfill the requirement to offer Lifeline and Link Up support. Vantage offers toll-blocking service to qualifying customers. Vantage will offer the services to all consumers within the Company’s proposed ETC/ETP service area. Vantage has not requested any waivers of the FCC requirements.

⁴ Pursuant to FTA § 54 400(d), the FCC defines “toll limitation” as either toll blocking or toll control for eligible telecommunications carriers that are incapable of providing both service

⁵ *Id*

⁶ 47 C F R § 54 405 (2001)

SWBT and Verizon serve the exchanges for which Vantage requests USF support. FTA § 54 201(c) states:

Upon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission, so long as each additional requesting carrier meets the requirements of paragraph (D) of this section.

SWBT and Verizon are not rural carriers, and Staff affirms that Vantage meets all of the established criteria. Staff recommends that Vantage be granted ETC status.

Designation as Eligible Telecommunications Provider

Pursuant to P.U.C. SUBST. R. 26.417, Vantage requested ETP designation in order to be eligible to receive funds from the Texas Universal Service Fund (TUSF) under the Texas High Cost Universal Service Plan (THCUSP). Vantage requested ETP designation in all exchanges encompassed by the Corpus Christi LATA and Brownsville LATA in the service areas of SWBT and Verizon. Vantage meets the definition of local exchange carrier (LEC) as defined in P.U.C. SUBST. R. 26.5.

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(II) requires carriers applying for ETP status to show that they have been granted ETC status for federal universal service support pursuant to FTA § 214(e). In Order No. 2 the Commission granted Vantage's request for waiver of P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(II) to allow simultaneous processing of its ETC and ETP applications.

To qualify for ETP status, P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(III), requires carriers to specify the small or rural ILEC service area in which they propose to be an ETP and a carrier must show that they offer the designated services defined in P.U.C. SUBST. R. 26.403 throughout the THCUSP or small and rural incumbent local exchange carrier service areas for which the carriers

seek ETP status. Vantage has met this requirement. The designated services required for ETP status are:⁷

1. flat rate, single party residential and business local exchange telephone service, including primary directory listings;
2. tone dialing service;
3. access to operator services;
4. access to directory assistance services;
5. access to 911 service when provided by local authority;
6. telecommunications relay service;
7. ability to report service problems seven days a week;
8. availability of annual local directory;
9. access to toll services; and
10. lifeline service.

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(III) also requires the applicant to assume the obligation to provide the services required under Subst. Rule 26.403 to any customer. Vantage states that it meets and assumes the responsibility to offer the basic services defined in Subst. Rule 26.403 to all customers in its exchanges for which ETP designation is requested.

Vantage offers services through purchased UNEs and has stated it uses its own facilities to provide other services at present and will engage its own facilities in conjunction with the purchased UNEs for the provision of the above services at a later date. In its August 6, 2003 amendment to the application, Vantage clarified that it currently engages a combination of UNEs and facilities to provide the designated services. Vantage meets the requirement of P.U.C. SUBST R. 26.417(f)(1)(B)(i)(IV).

Vantage shall offer all eligible customers Lifeline and Link Up services consistent with P.U.C. SUBST. R. 26.412. Vantage provided a commitment to meet all quality of service standards in its Service Quality Questionnaire at the time it received its SPCOA, and it affirmed it meets benchmark standards. Vantage will file an amendment to its tariff to adopt the Lifeline and Link-Up services tariff, consistent with Subst. Rule 26.412, filed with its application, immediately upon approval of its designations in this proceeding.

⁷ P U C SUBST R 26.403(d)(1) Texas High Cost Universal Service Plan (THCUSP)

P.U.C. SUBST. R. 26.417(f)(1)(B)(i)(VII) requires applicants to advertise the availability of, and charges for, the designated services using media of general distribution. Vantage will meet this requirement by such notice and in future will provide any such notice in the format prescribed by the FCC and the Commission.

Pursuant to the requirement of P.U.C. SUBST. R. 26.417(c)(1)(B), Vantage affirms that its tariffed rates for the designated services do not exceed 150% of the incumbent local exchange carrier's rates.

Staff affirms that Vantage meets all of the established criteria and recommends ETP status for the requested exchanges be granted.

Ordering Paragraph

In accordance with Staff's recommendation and for all the reasons stated therein, pursuant to the FTA § 214(e)(2) and P.U.C. SUBST. R. 26.418, Vantage's application for ETC designation is **APPROVED**, as amended, effective August 15, 2003; pursuant to P.U.C. SUBST. R. 26.417, Vantage's application for ETP designation is **APPROVED**, as amended, effective August 15, 2003. Vantage is granted ETC and ETP status in all exchanges encompassed by the Corpus Christi LATA and Brownsville LATA in the service areas of Southwestern Bell Telephone Company and Verizon

SIGNED AT AUSTIN, TEXAS ON THIS THE 15th DAY OF AUGUST 2003

PUBLIC UTILITY COMMISSION OF TEXAS



MICHAEL E. FIELD
DIRECTOR, DOCKET MANAGEMENT
POLICY DEVELOPMENT DIVISION